

CITY OF SANTA FE

ADMINISTRATIVE MANUAL

Originating Business Unit:
SUBJECT:

Human Resources



Accelerated (Early) Retirement	Policy Number 2500-5-11	# Pages 04
	Effective Date 04-01-2005	Revision Date 00-00-0000

1.0 PURPOSE:

- 1.1 The purpose of this policy is to interpret the provisions of City of Santa Fe Personnel Rule 13.30 H which pertains to Accelerated Retirement and to Accelerated Retirement Agreements.

2.0 APPLICABLE TO:

- 2.1 City of Santa Fe Employees who are eligible to retire per the provisions of the New Mexico Public Employees Retirement Act.

3.0 REFERENCES:

- 3.1 City of Santa Fe Personnel Rules and Regulations, Rule 13.30 H.
- 3.2 American Federation of State, County, and Municipal Employees Agreement
- 3.3 Santa Fe Police Officers' Association Agreement
- 3.4 Santa Fe Firefighters Association Agreement
- 3.5 New Mexico Public Employees Retirement Act
- 3.6 New Mexico Public Employees Retirement Association Rules

4.0 DEFINITIONS:

- 4.1 "Accelerated Retirement" means the usage of eligible leave to allow a retiring employee to be physically absent from work for a period of time up to the employee's PERA approved retirement date but which may not exceed the maximum pension benefit for the employee's retirement plan. For example, an employee under PERA Municipal Plan 3 would not be eligible if their total PERA service exceeds 26 years and 8 months. "Accelerated Retirement" is also referred to as "Early Retirement".
- 4.2 "Accelerated Retirement Agreement" is a standardized agreement that the employee enters into with the City of Santa Fe that defines the terms of the accelerated leave period. The Accelerated Retirement Agreement is a standardized format designed and maintained by the City of Santa Fe Human Resources Department. "Accelerated Retirement Agreement" is also referred to as an "Early Retirement Contract".
- 4.3 "Retiring Employee" means an employee who has applied and has been certified as eligible to retire under the Normal Retirement Eligibility Requirements by the New Mexico Public Employees Retirement Association.

- 4.1 “Early Retirement” means the same as “Accelerated Retirement”.
- 4.2 “City Retirement Date” means the date that the employee separates from employment with the City of Santa Fe. The retirement date must be the last day of the month immediately prior to the employee’s effective PERA retirement date which is normally the first day of the month.

5.0 POLICY:

- 5.1 In accordance with City of Santa Fe Personnel Rules, Regulations, and union contracts, and the procedures outlined in this policy, City of Santa Fe employees may use eligible leave to reach their approved PERA Retirement date but which may not exceed the maximum pension benefit for their retirement plan.

6.0 PROCEDURES:

- 6.1 Employees must be eligible to retire from PERA in accordance with the retirement eligibility requirements as set forth by PERA in order to request the accelerated retirement benefit.
- 6.2 Employees must request a retirement eligibility date from PERA following the policies and procedures as established by PERA.
- 6.3 Upon receipt of their retirement eligibility date from PERA, employees must state in writing to the Human Resources Department Director of their intent to retire, the retirement date provided by PERA, the employee’s effective City retirement date, and the specific type of eligible leave the employee wishes to use during the accelerated retirement period. The written notification must be submitted to the Human Resources Department no later than 30 days prior to the employee’s anticipated final working day.
- 6.4 The Employee Benefits Section of the Human Resources Department reviews documentation provided by employees and determines their eligibility for accelerated retirement. Leave balances are verified and calculated to determine the total amount of eligible leave an employee may use to cover their absence from work. The leave calculation includes the amount of eligible leave that an employee will accrue throughout the accelerated retirement period. Although unearned leave is used to calculate the total amount of leave employees may use during the accelerated retirement period, under no circumstances will employees be allowed to use leave for a pay period that has not yet been earned.
- 6.5 Eligible leave is as follows:
 - 1. Sick Leave
 - a. The amount of sick leave allowed for accelerated retirement pursuant to the employee’s applicable Bargaining Unit Contract, or if not specified, as allowed pursuant to Rule 13.30 H of the City of Santa Fe Personnel Rules and Regulations.

- a. The amount of sick leave that is ineligible for the purposes of accelerated retirement is forfeited at the time of the employee's retirement in accordance with Rule 13.30 of the City of Santa Fe Personnel Rules and Regulations.
- b. Sick leave continues to accrue pursuant to Rule 13.30 A during the contract period.

2. Annual Leave

- a. The amount of Annual Leave the employee has available in excess of 30 days worth of annual leave may be used during the contract period. Employees requesting accelerated retirement must maintain a minimum balance of 30 days worth of annual leave that cannot be used to cover the employee's absence during the contract period. This is to allow for sufficient leave coverage if it is later determined that the employee's estimated retirement date supplied by PERA is incorrect.
- b. The amount of Annual Leave which is included in the eligible leave calculation for the purposes of the Estimated Early Retirement Schedule is not forfeited at the end of the calendar year if the balance exceeds the amount that is allowed to be carried over from one calendar year to the next calendar year.
- c. Annual Leave that is not used during the contract period will be paid in a lump sum to the employee in accordance with Rule 13 of the City of Santa Fe Personnel Rules and Regulations.
- d. Annual leave continues to accrue pursuant to Rule 13.20 A during the contract period.

3. Non-Union Administrative Leave

- a. The available Non-Union Administrative Leave that is granted to non-union employees. This leave is provided in the form of one additional administrative day off per fiscal year. This time can be accrued across fiscal years and can be used towards accelerated retirement contracts or paid out upon termination if not used.

6.3 The Employee Benefits Section generates an "Accelerated Retirement Contract" for review and approval by the Human Resources Department Director, Finance and Budget Department, the employee's immediate supervisor, the employee's Department Director, and the City Manager. The "Accelerated Retirement Contract" specifies the following information:

- 1. The amount of leave employees are eligible to use to accelerate to their normal retirement date.
- 2. The specific period of time that an eligible employee will be absent from work for the purposes of accelerated retirement.
- 3. The following terms and conditions applicable to the contract period:

- a. Employees are not eligible for any salary increase or incentive pay during the time they are on accelerated retirement. Temporary promotions and/or temporary pay increases that an employee may have received will revert to the employee's previous classification and salary at the beginning of the pay period immediately preceding the accelerated retirement period.
 - b. If an employee uses any sick or annual leave which was included in their eligible leave calculation for the purposes of the "Estimated Accelerated Retirement Schedule", the employee may not have enough leave to cover the requested absence.
 - c. If the employee terminates the agreement, the employee must reimburse the City of Santa Fe for money that has been paid to them attributable to the sick leave used during the accelerated retirement period.
- 6.7 In addition to the "Accelerated Retirement Contract", the Employee Benefits Section prepares an "Estimated Accelerated Retirement Schedule" that details the calculation of leave amounts the employee is eligible to use for their absence from work during the accelerated retirement period. An "Estimated Leave Schedule" is also prepared which details how the employee's leave will be used for each pay period during the accelerated retirement period.
- 6.8 Upon receipt of required approval, the employee reviews and acknowledges by signature the receipt of the contract.

7.0 REVIEW AND APPROVALS:

7.1 PREPARED BY: Victoria I. Gage 3.18.05
Victoria Gage, Employee Benefits Administrator, DATE

7.2 REVIEWED BY: [Signature] 4/4/05
Lowell Gilbert, Assistant City Manager, DATE

7.3 REVIEWED BY: [Signature] 3/17/05
Bruce Thompson, City Attorney, DATE

7.4 APPROVED BY: [Signature] 4-6-05
Mike P. Lujan, City Manager, DATE